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## **168-Unit Former Condo Complex Trades for \$13M**

*By Bob Howard*

VICTORVILLE, CA-The Housing Authority of San Bernardino County has acquired a newly built, 168-unit former condo project called the Andalusia at 13520 Third Ave. for a price believed to be north of \$13 million in a bank note sale by a Northern California-based lender. Anton Qiu, a principal at TRI Commercial in San Francisco who brokered the sale, tells GlobeSt.com that the housing authority, which operates both subsidized and market-rate properties, plans to operate the complex as market-rate apartments.

Qiu tells GlobeSt.com that 128 units at the Andalusia have been completed in the first three phases of the four-phase project and that those 128 units were 90% occupied at the time of the sale. The Housing Authority plans to complete construction on the remaining 40 units that are unfinished.

The cost to complete the 40 units that remain to be finished, which were about 90% completed at the time of the sale, will be about \$1 million, Qiu says. The seller of the note provided the housing authority with a short-term partial bridge loan for the property, he adds.

The Andalusia was originally developed and built as condominiums by American Housing beginning in 2006, as all-new construction on formerly vacant land, but the condominium homeowners' association was later dissolved when the market went south. The project consists of 42 two-story buildings of four units each, with attached four-car garages. The units are all two and three bedrooms; common area amenities include a clubhouse, a swimming pool and other features.

The property never went back to the lender, but instead the lender and borrower agreed to a workout solution in which the bank would sell the note, Qiu explains. The lender then contracted with Qiu to sell the note, which attracted multiple offers, mainly from developers and investors.

The Andalusia sale illustrates that "There are a lot of buyers that are very active in the Inland Empire marketplace looking for deals," according to Qiu. "I'm not saying we're at the bottom, but we're in the process of setting it," he adds.

While many buyers with ample cash are still remaining on the sidelines, others are being more aggressive, Qiu observes. He says that those who are buying are thinking that, although they may be paying a bit more now, the bottom is getting close.

Most of the bidders on the Andalusia note were prepared to pay all cash, which Qiu says is typical of today's market. Most of the buyers of the approximately \$65 million of notes and other distressed assets that he has sold during the downturn have bid on an all-cash basis, he says.

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